

February 9, 2017

Subject: Sustainable Agricultural Lands Conservation Program

Reporting Period: December 2016 - February 2017

Staff Lead: Julie Alvis, Deputy Assistant Secretary, CA Natural Resources Agency

Recommended Action:

For information only – no action required.

Background:

Part of the California Climate Investments program, funded by Cap-and-Trade auction proceeds, the Sustainable Agricultural Lands Conservation Program (SALC) supports the State's greenhouse gas emission reduction goals by making strategic investments to protect agricultural lands from conversion to more intensive purposes. Two project types are eligible under the SALC Program: (1) strategy and outcome grants, and (2) grants for agricultural conservation easements to willing landowners for properties at risk of conversion. The Department of Conservation, working closely with the California Natural Resources Agency, administers the program on behalf of the Strategic Growth Council

Update:

Round 1 (2014-15): Ten projects were funded in Round 1. All projects are under grant agreement, with three Agricultural Conservation Easements (ACE) having closed escrow in Napa and Marin counties. One ACE project (Sonoma County) withdrew their Round 1 project due to a low ACE appraisal. Funds were reallocated to Round 2 awards.

Round 2 (2015-16): At their August 2016 meeting, the Strategic Growth Council awarded \$37.4 million to 21 projects (20 ACEs, 1 Strategy and Outcome grant). Staff is finalizing grant agreements and managing awarded projects.

Round 3 (2016-17): The SALC working group held two "lessons learned" meetings with stakeholders in October and November to inform revisions to draft SALC guidelines for Round 3 of the program. Staff will release draft Guidelines for public review and comment in early February, with plans to bring Final Guidelines for approval to the Council at their April 2017 Council Meeting. Concurrently, ARB is making minor technical changes to the SALC Greenhouse Gas Emissions Reduction Quantification Methodology, which will also require a public process to solicit comments on the revisions. Updates to the Quantification Methodology will be finalized prior to the adoption of Round 3 Final Guidelines. Upon approval of the final guidelines, a Round 3 solicitation will follow. Staff will hold a series of technical workshops throughout the State in Summer 2017, with full proposals due in late Summer/early Fall 2017, and recommended awards in December 2017.